GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2527
ANSWERED ON:07.03.2003
SMALL INVESTORS OF UTI
PATY RIPPLE KYNDIAH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether UTI had some time back assured repurchase ofall units of Rs.12/- and give a dividend of atleast @ 10 percent in July last year;

(b) if so, whether the Government have also undertaken to meet the shortfall;

(c) if so, the action taken to protect the interest of all small investors in UTI; and

(d) the outcome thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDDRAO V ADSUL)

(a) Government has assured a repurchase price of Rs. 12/- upto 5000 units of US-64 in May, 2003 and thereafter. UTI did not give any assurance to pay a dividend of atleast 10 percent in July 2002.

(b) Yes, Sir.

(c) & (d) Investors of US-65 will be given an option of five year, tax-free tradeable bonds in lieu of cashpayments at the time of redemption, Secondary market trading in Units of US-64 has also commenced.